

ENVIRONMENTAL ASSESSMENT RECORD

1. **NUMBER** CO-110-2004-004-EA
2. **CASEFILE/PROJECT NUMBER:**
3. **PROJECT NAME:** Truck Rail Load Out system
4. **LEGAL DESCRIPTION:** T2&3N, R101W
5. **APPLICANT:** Blue Mountain Energy, Inc. (BME)
6. **NEED FOR PROPOSED ACTION:** Maximum recovery and efficient development of the coal resources currently under lease by Blue Mountain Energy. Section 3 Mineral leasing Act of 1920, as amended by section 13 of the Federal Coal Leasing Amendments Act of 1976 (30U.S.C. 203)
7. **DESCRIPTION OF PROPOSED ACTION:**

a. **Proposed Action:** BME is proposing to haul coal from its mine portal to the railroad loop via trucks instead of the overland conveyor which it is currently using. Since the lease for the overland conveyor that currently hauls the coal from the mine site to the railroad loop expires in December 2003 and may not be renewed, BME is proposing a coal haulage alternative. Coal haul trucks will follow existing mine roads starting at the mine site and following the existing refuse haul road. Approximately ½ mile northeast from the intersection of the refuse road and Rio Blanco County Road 65 the coal trucks will turn north along the existing road that runs parallel with the overland conveyor and continue on to the railroad loop (see attached Haul Road Map).

There will be two stockpile sites one at the mine site and one at the railroad loop. Most of the coal will be stockpiled at the mine site with the railroad loop having the capabilities of storing approximately 40,000 tons of coal. It is not envisioned that the railroad loop will be used to store the full capacity of the site. The coal will be loaded soon after it is trucked to the site with little actual stockpiling.

Sediment control structures are already in place along the existing roads and railroad loop to prevent sediment load into drainages. Water and/or chemical stabilizers will control dust from roads and stockpile pads.

Truck haulage rate is estimated at 12 coal truck trips per hour, 20 hours per day for a total of 240 truckloads per day. Current vehicle usage of the proposed route is estimated at 1 trip every ½ hour during day shift, 1 trip every ¾ hour during swing and less during graveyard shifts. Frequency of use increases during shift changes.

No new surface disturbance will occur and this system may be replaced with a more permanent system in the future.

b. No Action Alternative: No coal would be hauled by truck over the proposed route.

8. PLAN CONFORMANCE REVIEW:

a. Name of Plan: White River Record of Decision and Approved Resource Management Plan (ROD/RMP).

b. Date Approved: July 1, 1997

c. Page/Decision: Page 2-7: “Ensure that federal coal resources identified as acceptable for further consideration for coal leasing, are available for exploration, leasing and development.

d. The proposed action has been reviewed for conformance with this plan (43 CFR 1610.5, BLM 1617.3) The action conforms to the decisions/pages of the plan listed above.

9. RELATIONSHIP TO OTHER NEPA DOCUMENTS: This environmental assessment is tiered to, and incorporates by reference the White River Resource Area Resource Management Plan (PRMP) and Final Environmental Impact Statement (FEIS) approved May 29, 1996.

10. AFFECTED ENVIRONMENT/ENVIRONMENTAL IMPACTS/MITIGATION MEASURES:

CRITICAL ELEMENTS

An X in the “Not Affected” column in the table below indicates that the critical element has been analyzed and will not be affected by the proposed action or the no action alternative. Affected elements are addressed in the paragraphs following the table.

Not Affected	Critical Element	Specialist Signature	Date
	Air Quality		
	Cultural Resources		
X	Floodplains, Wetlands, Riparian Zones, and Alluvial Valleys	Ed Hollowed	11/17/03
X	Native American Concerns	Scott Pavey	11/20/03
X	Prime and Unique Farmlands	Scott Pavey	11/20/03
	Threatened and Endangered Animals		
X	Threatened and Endangered Plants	T. Meagley	11-13-03

Not Affected	Critical Element	Specialist Signature	Date
X	Wastes, Hazardous or Solid	M. O'Mara	11/12/03
X	Water quality, Surface or Ground	CHollowed	11/19/03
X	Wilderness Area, Wild and Scenic Rivers	Chris Ham	11/12/03
X	Areas of Critical Environmental Concern	T. Meagley	11-13-03
X	Environmental Justice	Scott Pavey	11/20/03
X	Invasive, Non-Native Species/Reclamation	R. Fowler	11-14-03
	Noxious Weeds		

AIR QUALITY:

Affected Environment: There are no special designation air sheds or non-attainment areas nearby that would be affected by the proposed action

Impact of Proposed Action: The proposed action would result in short term; local impacts to air quality due to dust being blown into the air. However, airborne particulate matter should not exceed Colorado air quality standards on an hourly or daily basis. Blue Mountain Energy plans on watering the roads if this becomes a problem.

Impact of No Action Alternative: None

Mitigative Measures: None

Signature of specialist: CHollowed 11/19/03

CULTURAL RESOURCES:

Affected Environment: The proposed area has been previously inventoried at the Class III (100% pedestrian) level (Chandler and Nickens 1979) with one site, 5RB 906, and four isolated finds located in the proposed action area. Site 906 was revisited and reevaluated and found to have been seriously impacted by the refuse haul road upgrade. The site was also determined to be ineligible for nomination to the NRHP. The Isolated Finds are located at the current coal load out facility and are cultural values that have been obliterated.

Impact of Proposed Action: If mitigation measures are observed there should be no new impacts to cultural resources under the Proposed Action.

Impact of No Action Alternative: There would be no new impacts to cultural resources under the No Action Alternative.

Mitigative Measures:

1. There shall be no new ground disturbance for this project.
2. The operator is responsible for informing all persons who are associated with the project operations that they will be subject to prosecution for knowingly disturbing historic or archaeological sites, or for collecting artifacts. If historic or archaeological materials are uncovered during any project or construction activities, the operator is to immediately stop activities in the immediate area of the find that might further disturb such materials, and immediately contact the authorized officer (AO). Within five working days the AO will inform the operator as to:
 - whether the materials appear eligible for the National Register of Historic Places
 - the mitigation measures the operator will likely have to undertake before the site can be used (assuming in situ preservation is not necessary)
 - a timeframe for the AO to complete an expedited review under 36 CFR 800-11 to confirm, through the State Historic Preservation Officer, that the findings of the AO are correct and that mitigation is appropriate.

If the operator wishes, at any time, to relocate activities to avoid the expense of mitigation and/or the delays associated with this process, the AO will assume responsibility for whatever recordation and stabilization of the exposed materials may be required. Otherwise, the operator will be responsible for mitigation cost. The AO will provide technical and procedural guidelines for the conduct of mitigation. Upon verification from the AO that the required mitigation has been completed, the operator will then be allowed to resume construction.

3. Pursuant to 43 CFR 10.4(g) the holder of this authorization must notify the AO, by telephone, with written confirmation, immediately upon the discovery of human remains, funerary items, sacred objects, or objects of cultural patrimony. Further, pursuant to 43 CFR 10.4(c) and (d), you must stop activities in the vicinity of the discovery and protect it for 30 days or until notified to proceed by the authorized officer.

Signature of specialist: Michael Selle 11/18/2003

THREATENED AND ENDANGERED ANIMALS: (This includes all information related to animals in Public Land Health Standard 4.)

Affected Environment: This project involves lower elevation big sagebrush shrublands with interspersed stands of Utah juniper. These upland ranges are used opportunistically by wintering bald eagles from November through April. There are no roosts or concentrated use areas associated with the project area.

The project vicinity is six to seven miles south and west of the Wolf Creek black-footed ferret management area. The proposed conveyor/road corridor south of Coal Ridge has supported little, if any, prairie dog activity through the years, and the project area is not considered suitable for occupation by ferrets or other special status species associated with prairie dogs (e.g., burrowing owl).

Impact of Proposed Action: This project involves increasing, probably on a temporary basis, the frequency of heavy truck traffic along an existing road. Except for the unlikely event of trucks accidentally striking a bald eagle foraging along the haul road, this action would have no influence on adjacent vegetation communities or special status species' habitat.

Impact of No Action Alternative: Failure to transport coal to the loadout facility would have no influence on special status animals. Alternate means for transporting coal cannot be addressed.

Mitigative Measures: None

Signature of specialist: Ed Hollowed 11/17/03

NOXIOUS WEEDS: (This includes vegetation information related to Public Land Health Standard 3.)

Affected Environment: The proposed project affects existing roads, which run through either juniper woodlands or salt desert shrub vegetation.

Impact of Proposed Action: Weed control is a part of the current lease. Deserado Mine has an active weed control program which would prevent weed establishment.

Impact of No Action Alternative: There would be no impacts.

Mitigation Measures: None

Signature of specialist: R. Fowler 11-14-03

NON-CRITICAL ELEMENTS

An X in the “Not Affected” column in the table below indicates that the non-critical element has been analyzed and will not be affected by the proposed action or the no action alternative. Affected elements are addressed in the paragraphs following the table.

Not Affected	Non-Critical Element	Specialist Signature	Date
	Access and Transportation		
X	Forest Management	R. Fowler	11-14-03
	Geology and Minerals		
X	Hydrology and Water Rights	CHollowe	11/19/03
	Land Status/Realty Authorizations		
X	Fire Management	K. Holsinger	10/29/03
	Paleontology		
	Rangeland Management		
	Recreation		
X	Soils	CHollowed	11/19/03
X	Visual Resources	Max McCoy	11-17-03
X	Wildlife Aquatic	Ed Hollowed	11/17/03
	Wildlife Terrestrial		
X	Wild Horses	V. Dobrich	11-14-2003

ACCESS AND TRANSPORTATION:

Affected Environment: There is no proposed new road construction.

Impact of Proposed Action: There would be an increase in truck traffic along existing mine roads, and crossing Rio Blanco County Road 65.

Impact of No Action Alternative: None.

Mitigative Measures: None.

Signature of specialist: Scott Pavey 11/12/03

GEOLOGY AND MINERALS:

Affected Environment: The Deserado Mine produces coal that is transported to the Bonanza Power Plant, located in Bonanza, Utah. Transportation of the coal from the mine to the train load out is currently via an overland conveyor system.

Impact of Proposed Action: Delivery of coal to the Bonanza Power plant will continue uninterrupted..

Impact of No Action Alternative: Interruption in the transportation of the coal to the Bonanza Plant would occur. If the overland conveyor lease is not renewed and the truck haulage system is not allowed there is no means to transport the coal from the mine to the rail. Mining would have to cease until there could be some form of coal transportation from the mine site to the railroad loop.

Mitigative Measures: None

Signature of specialist: Paul Daggett

LAND STATUS/REALTY AUTHORIZATIONS:

Affected Environment: The proposed action would be a partial change to BME's existing authorization, COC30119.

Impact of Proposed Action: The proposed action would change part of the useage that was authorized by right-of-way COC30119, which was for a "haul road to a waste disposal area and an overland conveyor to a railroad loadout area". In accordance with the Terms and Conditions of the right-of-way grant, "prior to final abandonment, the holder shall submit a plan of abandonment to include soil stabilization measures, and rehabilitation and restoration procedures". The right-of-way will need to be relinquished in part if the conveyor is removed from public lands.

Impact of No Action Alternative: None

Mitigative Measures: None

Signature of specialist: Penny Brown 10/31/03

PALEONTOLOGY:

Affected Environment: The proposed action is located in an area mapped as the Mesa Verde formation (Tweto 1979) which the BLM has classified as a Category I fossil bearing formation meaning it is a known producer of scientifically important fossil resources.

Impact of Proposed Action: Provided mitigation measures are followed there should be no new impacts to fossil resources under the Proposed Action.

Impact of No Action Alternative: There would be no new impacts to cultural resources under the No Action Alternative.

Mitigative Measures: There shall be no new ground disturbance. If paleontological materials (fossils) are uncovered during project activities, the operator is to immediately stop activities that might further disturb such materials, and contact the authorized officer (AO). The operator and the authorized officer will consult and determine the best option for avoiding or mitigating paleontological site damage.

Signature of specialist: Michael Selle 11/18/2003

RANGE MANAGEMENT:

Affected Environment: The proposed action is located within the Spooky Mountain (06316) and Red Wash (06320) Allotments. Sheep use within the area of the proposed action may be authorized between November 20th and May 9th.

Impact of Proposed Action: The individual proposed action would have minimal impacts on forage for authorized grazing use because no new surface disturbance is proposed. However, because of current mine activities within this area, these portions of the allotments are hampered for sheep grazing. This is due to the inability to effectively herd sheep, thus effecting herd distribution around the high use mine areas near the railroad loop. Increasing the amount of coal truck traffic under the proposed action will further lead to a reduction or elimination of sheep use due to the inability to control/herd sheep within the proposed action's locality between the mine portal and railroad loop.

The proposed coal haul route, which follows an existing road along the conveyor belt, bisects an allotment division fence between the Spooky Mountain and Red Wash Allotments. Currently, there is a decoy cattleguard that is nonfunctional at this point. As it is currently deemed acceptable for a nonfunctional cattleguard at this point, it is anticipated that no further additions would be necessary under the proposed action.

Overall, impacts to livestock grazing may include such influences as a modification in livestock distribution, reduction in available forage, and impediments to livestock grazing and movement. In general, this individual proposed action would have no direct impact on the authorized Animal Unit Months (AUMs). However, the cumulative impacts from past, present, and proposed activities may have a long-term effect on authorized AUMs, which would be determined during the grazing permit renewal process for this allotment.

Impact of No Action Alternative: No impacts to Range Management would occur under the No Action Alternative.

Mitigative Measures: In the Future, if BLM deems it necessary, the applicant will install a cattleguard where the proposed coal haul road bisects the allotment division fence. Any livestock control facilities and/or rangeland improvements impacted during this operation will be replaced or repaired to their prior condition.

Signature of specialist: Jed Carling 11/12/03

RECREATION:

Affected Environment: The proposed action occurs within the White River Extensive Recreation Management Area (ERMA). BLM custodially manages the ERMA to provide for unstructured recreation activities such as hunting, dispersed camping, hiking, horseback riding, wildlife viewing and off-highway vehicle use.

Impact of Proposed Action: Recreation in the vicinity of the mine site is minimal due to current mining associated activities and therefore would have little impact on recreationists.

Impact of No Action Alternative: No loss of recreation potential.

Mitigative Measures: None.

Signature of specialist: Chris Ham 11/12/03

WILDLIFE TERRESTRIAL:

Affected Environment: This project involves lower elevation big sagebrush shrublands with interspersed stands of Utah juniper. These ranges are occupied by big game as winter range (primarily October through early May) and serve as severe winter range for deer. Through the 1980's this portion of Red Wash supported a small population of sage grouse, but over the past decade birds have been encountered only incidentally and no strutting activity is known to occur in the portion of the watershed south of Coal Reef. The nongame bird and mammal communities associated with these juniper-sagebrush communities are typical of the area and are widely distributed in the Great Basin. There are no obvious deficiencies in species abundance or distribution. The area does not support highly specialized or narrowly distributed species. There are no raptor nest sites known to be located within 0.5 mile of the existing roadbed.

Impact of Proposed Action: There is no reasonable alternative to haulage by truck; use of a long established haul road is much preferred over the establishment of a new route that would entail expanding adverse road-related influences on this winter range. Even though traffic volume will increase significantly (i.e., currently 15 minute vehicle intervals with 8 hours of lesser late night/early morning use versus proposed sub-5 minute intervals with 4 hour hiatus), big game acclimate readily to consistent, predictable, and non-threatening forms

of disturbance and it is anticipated that increasing vehicle frequency will have little additional influence on the utility of adjacent habitat. Increased traffic flow might be expected to increase the incidence of big game killed by vehicle collision during the winter and early spring period. However, probably as a function of relatively low vehicle speed (<40 mph), Blue Mountain Energy has experienced very little vehicle-related mortality of big game on these roads to date. Vehicle-related mortality is not expected to become a major issue under the proposed action.

It is suspected that breeding bird densities would vary inversely with proximity to the haul road. At current moderate levels of road use, it is assumed that breeding bird abundance is influenced within 100 feet of the road (e.g., reduced by 50%). With increasing frequency and duration of use, it is reasonable to assume that this influence could double, effectively reducing the extent of suitable sage steppe habitat by an additional 20-30 acres as long as truck haulage is necessary. Reductions in habitat utility of this magnitude (about 0.5% of like habitats within 1 mile of the project) are considered minor and temporary. This effect would be reversible and habitat utility regained immediately upon cessation of haulage.

Impact of No Action Alternative: The no-action alternative would involve coal not being transported by truck. Although this option would reduce the potential for vehicle-related big game mortality, the function and utility of adjacent habitats would likely remain similar to that which currently exists.

Mitigative Measures: None

Signature of specialist: Ed Hollowed 11/18/03

CUMULATIVE IMPACTS: See the Range Management Section for details concerning cumulative impacts to livestock grazing. No other cumulative impacts were identified.

Signature of specialist: Scott Pavey 11/20/03

FINDING OF NO SIGNIFICANT IMPACT (FONSI)/DECISION RECORD

FONSI: The environmental assessment, analyzing the environmental effects of the proposed action, has been reviewed. The approved mitigation measures (listed below) result in a finding of no significant impact on the human environment. Therefore, an environmental impact statement is not necessary to further analyze the environmental effects of the proposed action.

DECISION AND RATIONALE: It is my decision to approve Blue Mountain Energy's proposal to haul coal from its mine portal to the railroad loop via trucks as described in the proposed action, with the mitigation listed below.

MITIGATION MEASURES:

1. There shall be no new ground disturbance for this project.
2. The operator is responsible for informing all persons who are associated with the project operations that they will be subject to prosecution for knowingly disturbing historic or archaeological sites, or for collecting artifacts. If historic or archaeological materials are uncovered during any project or construction activities, the operator is to immediately stop activities in the immediate area of the find that might further disturb such materials, and immediately contact the authorized officer (AO). Within five working days the AO will inform the operator as to:
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3. Pursuant to 43 CFR 10.4(g) the holder of this authorization must notify the AO, by telephone, with written confirmation, immediately upon the discovery of human remains, funerary items, sacred objects, or objects of cultural patrimony. Further, pursuant to 43 CFR 10.4(c) and (d), you must stop activities in the vicinity of the discovery and protect it for 30 days or until notified to proceed by the authorized officer.

4. There shall be no new ground disturbance. If paleontological materials (fossils) are uncovered during project activities, the operator is to immediately stop activities that might further disturb such materials, and contact the authorized officer (AO). The operator and the authorized officer will consult and determine the best option for avoiding or mitigating paleontological site damage.

5. In the Future, if BLM deems it necessary, the applicant will install a cattleguard where the proposed coal haul road bisects the allotment division fence. Any livestock control facilities and/or rangeland improvements impacted during this operation will be replaced or repaired to their prior condition.

SIGNATURE OF PREPARER:

DATE SIGNED:

11-20-2003

SIGNATURE OF ENVIRONMENTAL COORDINATOR:

DATE SIGNED:

11/20/03

SIGNATURE OF AUTHORIZED OFFICIAL:

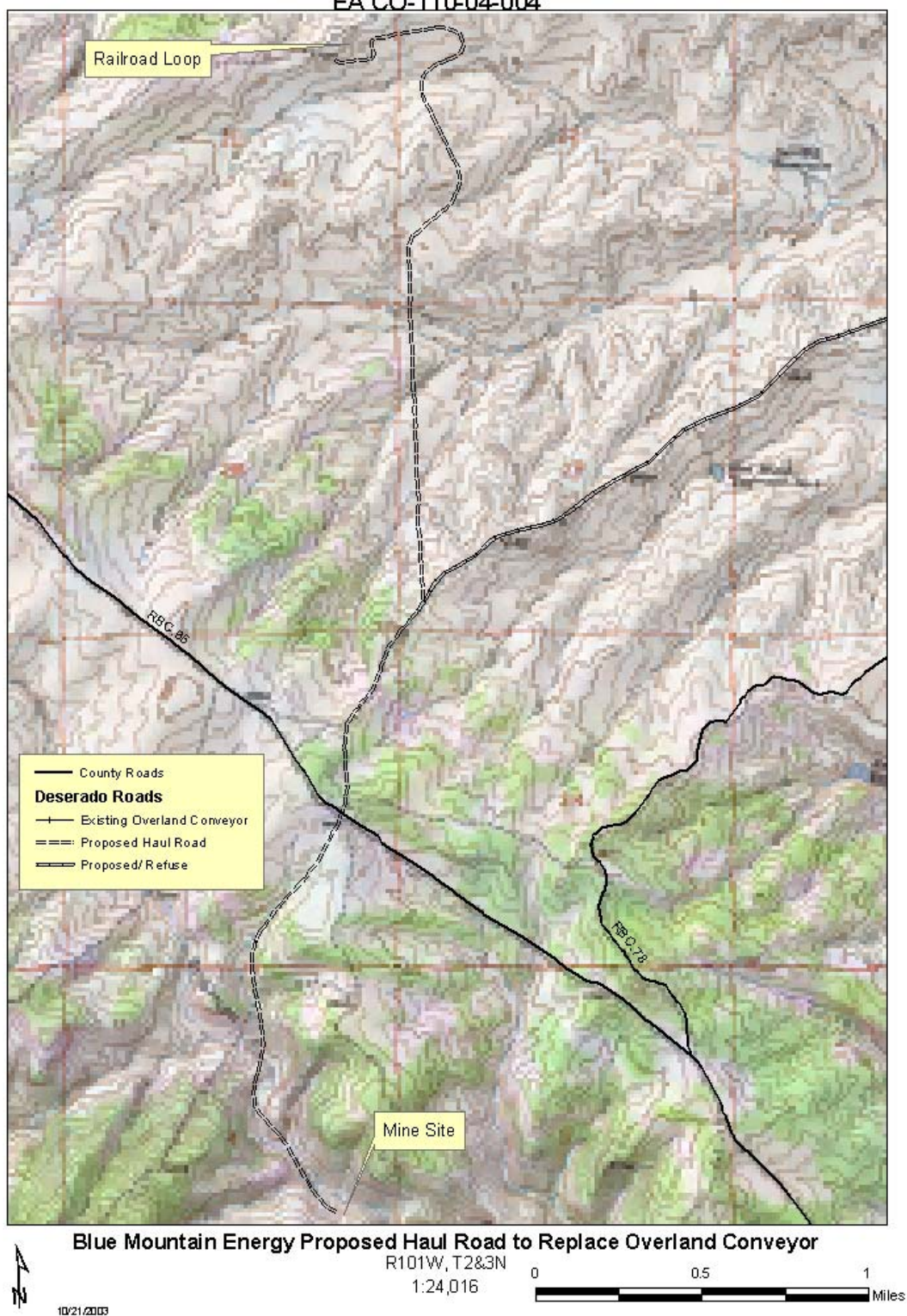
DATE SIGNED:

11/20/03

ATTACHMENTS:

- 1) Map of Proposed Haul Road
- 2) Map of the Location of the Proposed Action.

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Location of Proposed Action CO-110-2004-004-EA

